

THE JACOBS REPORT

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SENATE PASSES HELMET REPEAL

Legislation repealing Michigan's motorcycle helmet requirement may be destined for a veto by Governor Jennifer Granholm, but you wouldn't have known that after the Senate approved SB 297 on a vote of 21-13 Thursday.

For the twenty-ninth year in row, supporters of the bill gathered at the Capitol, packing the Senate gallery during deliberations. In years past, the legislation successfully passed the House, only to die in the Senate. This year brought different results, as a handful of Senators who opposed the measure as House members experienced a change of heart.

When the bill passed, supporters briefly broke into applause before loudly shushing each other for fear of being gaveled or removed.

SB 297 would allow adults older than 21—with at least two years experience on a motorbike or having passed a safety course—the option of riding without a helmet.

Granholm spokesperson Liz Boyd said the governor remains opposed to the repeal for "health and safety reasons."

The vote cut across party lines, with most of the Democratic caucus joining a slight majority of Republicans in supporting the bill.

Both sides offered a multitude of statistics defending their positions, but the most powerful arguments dealt with rider freedom and rider safety.

Senate Majority Floor Leader Sen. Bev Hammerstrom (R-Temperance) came down on the side of safety. "We put our kids and grandkids in helmets when they ride tricycles," she said. "For heaven's sake, why in the world would we want to make that optional when motorcycles go so much faster?"

But Sen. Bruce Patterson (R-Canton) said the issue was liberty. "I never take the defense of freedom to be mundane," he said.

The insurance industry is against the bill. After the measure passed, the Michigan Association of Insurance Agents issued the following statement: "No responsible organization is willing to negotiate on human safety."

But Jim Rhoades of American Bikers Aiming Toward Education, argued that the Senate took a step toward allowing adults to make their own decision on whether or not to wear a helmet.

Thirty states, including those surrounding Michigan, give riders the option whether or not to wear helmets.

Senate Roll Call vote:

REPUBLICANS FOR (11): Allen, Bishop, Cropsey, Goschka, Jelinek, Kuipers, McManus, Patterson, Sanborn, Stamas, Toy.

DEMOCRATS FOR (10): Barcia, Basham, Bernero, Cherry, Clarke, Emerson, Leland, Olshove, Prusi, Schauer.

REPUBLICANS AGAINST (9): Birkholz, Brown, Cassis, George, Gilbert, Hammerstrom, Hardiman, Sikkema, Van Woerkom.

DEMOCRATS AGAINST (4): Brater, Clark-Coleman, Jacobs, Switalski.

SENATE PASSES BILL OUTLAWING FALSE 'AMBER ALERTS'

Anyone who makes a false missing child report could face up to four years in jail under legislation passed unanimously by the Senate.

SB 74 and SB 134 are intended to head off situations that have occurred in other states, where individuals have filed false “Amber alert” reports for reasons as trivial as wanting their teens to return their car.

While there have been no such false cases in Michigan, the Senate is looking to prevent the possibility of such reports.

The legislation would also allow for governments and the media to recover the cost of posting the false alerts.

OFIS: INSURANCE RATES COMPETITIVE BUT UNAFFORDABLE

The Office of Financial and Insurance Services (OFIS) released results of its study on Michigan’s insurance market competitiveness. While the report found competition under the very strict definition of the law, Commissioner Linda Watters said that competition does not necessarily equal affordability in the market. The commissioner said there are a few places in the state with “excessive” rates – as defined by the law – but called the existing law inadequate for ensuring affordable insurance. She called for greater tools to ensure affordable insurance in all of Michigan’s communities.

The Market Competition report examined whether home and auto insurance rates are excessive in Michigan. The report indicated that although there are areas of Michigan that have excessive insurance rates, insurance rates statewide are not “excessive,” because the law says that the only measure of “excessive” is whether or not competition exists. The report also indicated that there is still a need to reduce the premiums that Michigan residents pay for insurance. Such a reduction will serve as an important component of the state’s strategy to be competitive as it strives to increase employment and population.

“While the law may indicate there is competition,” said Commissioner Watters, “common sense indicates that competition as currently defined by state law is not delivering affordable insurance for our citizens. The definition of “excessive” needs to [consider] more than just the presence of competition.”

Along with the release of the Market Competition report, Watters promised that her recommendations will be formulated and introduced as legislation by the Michigan Legislature.

MORE FROM OFIS: SMART CONSUMERS AVOID TAX REFUND LOANS

Citing a recent study from the National Consumer Law Center (NCLC), the Office of Financial and Insurance Services (OFIS) Commissioner Linda A. Watters urged Michigan consumers to steer clear of Refund Anticipation Loans (RAL), one of the most avoidable tax-season expenses. By refusing to take the bait offered by those pushing RAL, taxpayers across the country can avoid paying more than \$1 billion in fees.

“With the advent of electronic filing—which allows for state tax refunds in as little as seven business days—the need for Refund Anticipation Loans is questionable at best,” said Watters. “Taxpayers should think twice before they hand over a portion of their refund to a tax preparer in return for the privilege of getting their money a few days quicker.”

Taxpayers are typically offered “Instant Refunds” or “Quick Cash” infusions from their tax preparation service that simply amount to an advance loan on their anticipated tax refunds. Most consumers don’t need RALs since they could have their refund – in its entirety – in seven business days, if they choose to e-file.

Refund Anticipation Loans can cost the average taxpayer from \$34.95 to \$104.95 in fees, plus an additional \$30-40 in “administrative” fees for a quick cash fix.

National Consumer Law Center has found that the effective Annual Percentage Rates for interest on these loans can range from an outrageous 70 percent to ridiculous rates of more than 700 percent.

The actual dollar cost is estimated at more than \$1 billion nationwide. And the worst irony is that those who qualify for the government’s Earned Income Tax Credit—the lowest wage earners—are disproportionately RAL customers. They’re often the most cash-strapped and the most anxious to see the midwinter “bonus” of their tax refunds quickly, when they’re trying to pay off holiday bills.

To learn more about RALs, the National Consumer Law Center web site offers a brochure: “Don’t Pay to Borrow Your Own Money.” The brochure is located at:

http://www.consumerlaw.org/initiatives/refund_anticipation/content/RALBrochure.pdf

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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